large holdings of shares, or because of their ancestral or personal connection with banking, but because of their reputation or influence, commercial, social or political. The result is that, along with the process of amalgamation, there has been going on a transfer of the whole management of banking to the hierarchy of salaried officials: whilst the supreme decisions on financial policy are in the hands, in practice, of a very small group of salaried general managers, only partially in consultation with an equally small group of chairmen of boards of directors, themselves usually drawing not inconsiderable salaries."

It seems to me that Mr Webb exaggerates in rather a dangerous degree the reduction, through amalgamation, of the necessity which obliges a bank to keep a considerable reserve of cash. It is quite true that under normal circumstances cash with-drawn from one bank finds its way in due course to another, and that with regard to these mere "till money" transfers there might be a considerable reduction in the amount of cash required if all the banking of the country were in the hands of one business, so that what was withdrawn from one branch would be paid into another. But this fact would not alter the need which compels a bank to keep considerable reserves in cash in order to provide against the possibility of a run. A State bank, if the public takes it into its head that it prefers to have a larger proportion of currency in its own pocket rather than in its bank, may find itself

pulled at for cash just as vigorously as a bank managed by private enterprise. This was shown in August, 1914, when very large sums were withdrawn from the Post Office